CITY ADMINISTRATIVE OFFICER

To The Mayor	DATE 9/4/74	CAO FILE No. 0220-00765 (2)
REFERENCE		COUNCIL FILE No.
Verbal Request of the Mayor		
SUBJECT		COUNCIL DISTRICT
County operation of City beaches	INSTITUTE OF GOVERNMENTAL	
	APR 26 1975 Lacotion Bath	LA Naco
SUMMARY	Approvation Bath	ng beached

SUMMARY

We have reviewed the concept of the County of Los Angeles operating and maintaining those beaches currently owned and/or operated by the City of Los Angeles. We believe the concept to be sound and of benefit to the City (both the municipal corporation and the taxpayer).

The consolidation of governmental functions of necessity raises many issues, questions and concerns which must be dealt with. The staff report of the Recreation and Parks Department has focused on some of these. In the findings section of this report we have addressed ourselves to most of those raised. We caution that the list cannot be considered complete or exhaustive.

There can be no doubt our coastline and its beaches represent a substantial asset to the recreational program of the City of Los Angeles. This asset is however but part of the overall nearly 35 miles of usable beach within Los Angeles County. Beach patrons do not differentiate in their use of the beach on the basis of political jurisdictions. Operation by a single agency offers an opportunity for economies in maintenance, standardization of lifeguard service and training and overall coordination of shoraline utilization and planning.

We do not view the proposal to consolidate these operations as a surrander of jurisdiction or the giving away of City assets. Instead we believe the proposal permits the City to join in partnership with the County of Los Angeles for the effective management of the entire beach resource with the added benefit to the City tampayer by spreading the cost of all beach operation over the more appropriate tax and patron base of the full County.

(Summary Continued)

With respect to the machanism whereby the County might assume the operation of City beaches the City Attorney has suggested the vehicle of a joint powers agreement might be appropriate. We believe such an agreement offers several advantages. The joint powers agreement could serve as the instrument to specify all of the rights and responsibilities of the parties stipulating City retention of title to its property, City continued use and control of oil revenues, City provision of support services (law enforcement, animal regulation, etc.), County absorption of City lifeguard personnel and other matters of substance. The joint powers agreement would, as any other contract, include provision for termination. In addition, provision could be made for the issuance of revenue bonds.

Many of the questions raised relative to the proposed consolidation of the function are questions which can and will have to be addressed during implementation should the decision be made to consolidate. We foresee no insurmountable problems which would preclude uniting beach operation under one jurisdiction.

RECOMMENDATION

It is recommended:

- The Mayor a Digitized by the Internet Archive oard of Supervisors to adopt the policy that the county assume the operation of those beaches cure 2025 With funding from and
- 2. State of Galifornia and Galifornia State Library the first recommendation; direct the City Administrative Officer with the cooperation and assistance of the City Attorney, Recreation and Parks Department and other concerned City agencies, to work with the County to prepare the necessary documents for Nayor and Council approval to accomplish the transfer of beach operations.

FINDINGS

Request

The Mayor has proposed the City Council consider asking the County of Los Angeles to take over operation of all State-owned beaches now operated by the Department of Recreation and Parks. That proposal incorporates the City's retention of the operation of Venice and Cabrillo Beaches which are City-owned.

Background

There are 66 miles of shoreline within Los Angeles County. There are 34.5 miles of public beach with usable shoreline. Table 1 shows the ownership and operating agency for each public beach from Ventura County to Orange County. The five operating agencies are as follows:

City of Los Angeles	14.1 miles
County of Los Angeles	9.6
State of California	2.2
City of Sunta Monica*	2.9
City of Long Beach	5 6 7
	37.5 miles

*Lifeguard service only transferred to the County fiscal year 1974-75.

The ownership of the beaches operated by the City of Los Angeles is shown below:

Will Hogers State Beach	State	3.2 miles
Vanica Beach	City	5,8
Dockwhiler State Beach	State	2.3
Royal Palms State Beach	State	09
White's Point Beach	U.S. Army	8 9
Point: Fermin Beach	City	1.3
Cabrillo Beach	City	e 8
		Tal miles

Recreation and Parks

The initial reaction of the staff of the Recreation and Parks
Department to the Mayor's proposal was expressed to the Board of
Commissions's at their regular meeting, August 1, 1974. The
conclusion was that it would be "impractical and impossible" to split
the operation and maintenance of City beaches by transferring only
those owned by the State. Staff recommended a special session be
convened to consider all facets of turning over all City-operated
beaches to the County.

By report of the General Manager to the Board dated August 8, 1974, the Recreation and Parks Department staff presented its conclusions

and recommendations with regard to the concept of transferring of Clay beach operations to the County.

The staff's position is that the Department has been charged with a moral, if not legal, responsibility and duty to maintain and operate the City's beaches. The staff position is "...to not only say no, but to vigorously fight the proposal in every legitimate way...".

The attachment to the staff report contained 26 questions/statements the consolidation of the functions. We concur and caution that the list presented cannot be considered exhaustive and complete. If the decision is made to pursue the issue, many more questions will be

A proposal to transfer a municipal operation raises numerous qualitions relating to can, should and how such a consolidation would/could be brought about. We will attempt to touch on many of these questions in the following sections of this report and provide information to the point of enabling the Mayor and Council to make the decision as of the major issues raised by the Department in the previously

- What facilities and equipment would be transferred?
- title remain with the City. Current valid easements and restrict tions would remain. As further information on this subject is needed it will be necessary to call on the City Attorney in coop eration with the Department.
- What would be the status of tideland and oil bonus funds? The City position should be to retain and control the use of same
- Subject to negotiation with the County. We have discussed the
- Would the Harbor Department object to the County operation of the

" How will existing concessionaires be affected? Subject to negotiation with the County, concession agreements

- What is the effect on the Beach Capital Improvement program currently in process and under study?

Any change in scope or concept should be subject to consideration by the Department, the Mayor and Council.

- What is the effect on City employees that might be transferred? Discussed in other sections of this report.

- Now will the Venice Pavilion and Cabrillo Marine Museum be affected? It is our opinion the City would continue operation.

- How will the operations of the Venice and Cabrillo Beach fishing piers be affected?

It is our opinion no change in the operation would be required. - What will happen to the lifeguard minority training program? This question should be considered in connection with negotiation for the transfer with the County. We are informed the County has conducted a minority lifeguard training program since 1969. This according to County representatives, has resulted in the hiring of the only black, permanent beach lifeguards (2) in the history of the United States.

Regional Facility

One of the principal arguments for consolidating beach operation, maintenance and financial support under one agency within an overell deographic area is that the beaches afforded by our coastline constitute a regional recreation area. The Los Angeles County Board of Supervisors adopted (January 20, 1959) the "Regional Recreation Areas Plan for Los Angeles County" which included the following definition:

A Regional Recreation Area is an extent of space, which, by its unique features and unusual and/or extensive development, affords recreational opportunities that attract large patronage from many sections of the region irrespective of political, physical, or community boundaries.

In recognition of this concept the County of Los Angeles has contributed to the operations of City beaches in varying amounts since 1940. Currently, the County contributes \$225,455 to the Department of Recreation and Parks to partially defray cost of operation and maintenance brought about by use by County residents of City beaches.

In discussing the subject of the County management of all beaches (State, County and City) with the Director, State Parks and Recreation Department, the Director expressed his position that a regional approach to planning of beach development and utilization is long overdue and might be fostered by consolidation as currently being considered.

Benefits might be realized by the public with standardization of operations. Nore efficient utilization of equipment and personnel is forecast. A different training program is employed by the County due to the peace officer status of County lifeguards. The City lifeguards would be trained under this program thereby raising their level of expertise and value to all beach patrons.

The staff report of the Recreation and Parks Department addresses the concept of regional recreation facilities, acknowledging that "...the ideal arrangement advanced in the textbooks is for the County to operate all regional facilities and the City to run neighborhood and community facilities only - a neat dichotomy.". The Department points out that some of the City's greatest facilities are regional in nature such as the Zoo, Griffith Park, Elysian Park, Griffith Observatory and the two City-operated army Basins, and questions if these should also be surrendered to County jurisdiction.

While the point is well taken, we believe an important difference exists in this regional nature of the beaches as opposed to the facilities we previously referenced. The County does not operate a County zoo or observatory next door to City facilities of the same type. If the entire beach within the County is viewed as a single resource a strong case may be made for a single operator.

While the one jurisdiction concept for all beaches may appear beneficial from some of the foregoing standpoints the City-operated beaches are geographically located in the City of Los Angeles. Beach use and operation may dramatically affect the local City resident of the beach communities. The benefit to City residents of local government control of all factors influencing the day-to-day circumstances and conditions of the local jurisdiction must be weighed in relation to the divesting of a portion of that jurisdiction or operation in order to achieve economy, efficiency and unified planning. We believe this to be the overriding decision which must be made in considering the transfer. Other issues raised in this report and the previously referenced report of the Recreation and Parks staff, are basically questions of method and conditions of implementation.

State of California

Section 5007 of the Public Resources Code of the State of California authorizes the State Department of Parks and Recreation to enter in agreements with cities, counties and other political subdivisions of the State for the operation and maintenance of lands for the purpose of the State Park System. Pursuant to such agreement the State and the local jurisdiction may cooperate to acquire privately—owned property for recreational purposes. In 1947, in accordance with a master plan of beaches adopted by the County of Los Angeles, the Canada the State entered into an agreement to acquire and to place on the jurisdiction of the City certain beach properties owned by the State, the City, and private persons. As part of the agreement by the

City gave title to certain beach properties to the State and ther was given a lease to all beach properties owned by the State. The first agreement of this kind concerned the beach property known as Dockweiler Beach which is generally located along Playa del Rey between the City of El Segundo and Venice Beach. In 1948, a second agreement was formed concerning Will Rogers State Beach which is located north of the City of Santa Monica to the city limits of Los Angeles City. In 1963, a third agreement was formed between the State and the City, which provided for operation and maintenance of a small beach (Royal Palms) located at the western side of the Palos Verdes

On August 2, 1976, representatives of this office met with Mr. William Penn Mott, Jr., Director, Parks and Recreation Department, State of California, for the purpose of discussing the State's position with regard to transfer of operation of State-owned beaches to the County. Mr. Mott indicated he would endorse such an approach, and, in fact would greatly prefer to have one operator for all beaches within the County.

By letter to the Mayor's Office (August 7, 1974) Mr. Mott noted that three years ago, his staff conducted a survey of beaches in the Los Angeles County area. The recommendation was that the Los Angeles County Department of Beaches should be the appropriate agency to operate all beaches in the County. Hr. Mott points out in his communication:

"As beaches are certainly regional in nature, this conclusion is most logical. It would allow expenses to be spread evenly among all County taxpayers. The merger would result in consistent lifeguard and maintenance operations, as well as training and quality of personnel."

"From the State's point of view, it would be no problem to convert present State contracts from City to County. However, it would be necessary for the City to determine within the framework of its own laws and policies whether such a transfer is either feasible or legally possible. The one reservation I would have is that all revenues derived from the operation of the beaches would be used for the purpose of creating an overall beach plan and for the implementation and maintenance of the capital improvements envisioned by this plan."

Beach Operations

As proviously noted the City of Los Angeles now operates and maintains the 14.1 miles of beaches. This portion of the City's recreation program includes lifeguard services, beach maintenance, parking services and recreation programming. A total of 139.3 full-time equivalent personnel are assigned to these tasks as follows:

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purpose. Such use was mandated when the contract concessionaire went out of business.

Beach operations are expensive, however, a portion of the expense is defrayed by concession income and County contribution for operations. The financial picture is stated as follows using 1972-73 data (last completed reported data) s

Category	Total Amount
Costs: Lifeguard service Construction Maintenance Parking lots Operating Costs	\$ 909,052 70,775 498,208 112,500 \$ 1,590,535 \$ 1,590,000
Overheads Departmental General City Indirect Costs Total Cost	\$ 169,843 348,077 \$ 517,4920 \$ 2,108,455
Revenue: Beach concessions Parking revenues County participation Cost less revenue	\$ 47,928 377,514 225,455 \$ 650,897 \$(1,457,558)

The County of Los Angeles, Department of Beaches, operates 9.6 miles of beach. The actual expenditure (not including overhead) associated with that operation for 1972-73 was \$2,354,856. Revenue from concessions totaled \$117,922 for a net cost of \$2,236,934. In addition, County residents were taxed an additional \$425,455 for financial support to the Cities of Los Angeles, Long Beach and Santa Monica for operation of beaches.

The question arises what is the financial benefit to the City taxpayer to consolidation of the beach operations. Based on the County cost of operations of its beaches (\$2,236,934) and 1972-73 County assessed valuation (\$21.167,381,796) the taxpayer was charged \$.0106 per \$100 assessed valuation for County beach operations. The amount was levied on all County taxpayers including residents of the City of Los Angeles.

In addition to the above, the County tax rate was \$.0020 per \$100 assessed valuation for the previously mentioned \$425,455 for the County contribution to cities which operate their own beaches.

City taxpayers were assessed for the operations of City beaches. Revenue in the amount of \$939,638 was required (indirect cost not included) to fund the beach operation. Based on that cost and the City's assessed valuation (\$8,172,147,036) the City charge was \$.0115 per \$100 assessed valuation for operation of City beaches.

In summary the 1972-73 tax rates for County and City were as follows:

PHTDOS C	essentia produce accessor acce	
County operation	\$.0106	\$.0106
City operation	.0115	E334
County participation Total Rate	\$10241	\$.0326

The assessed valuation (including homeowners and business inventory exemptions) of the City of Los Angeles comprises 38.61 percent of that of the County of Los Angeles. On that basis the following table compares the dollar contribution of the two jurisdictions to beach support:

		Revenue	
Purpose	City of L.A.	County (excluding City)	City & County
County operation City operation County participation	\$ 863,680 939,638	\$1,373,254	\$2,236,934 939,638
Los Angeles Santa Honica Long Beach Total	87,048 38,610 38,610 \$1,967,586	137,407 61,390 61,390 \$1,634,441	225,455 100,000 100,000 \$3,702,027

Based on the 1972-73 direct cost of operation, the City of Los Angeles tax base contributes substantially more revenues to County-wide beach operations than the proportionately larger remaining portions of the County.

Assuming the operations of the beaches were consolidated at the same level of service and cost (\$3,602,027) a combined tax rate for the operation would be \$.0170 per \$100 assessed valuation (based on 1972-73 figures). The effect would be to decrease the City's tax rate for beach operations and maintenance by \$.0071 while increasing the County rate by \$.0044 as follows:

This approach is believed to be more equitable due to the regions: nature and use of the beaches.

We have not attempted to forecast economies or increased cost which might accrue due to the consolidation of beach services. We know salary and retirement cost would increase for lifequard personnel, are informed the County charges fifty cents for beach parking which the City charges one dollar. However, if we were to take the most double in cost (which would necessitate a substantial increase in personnel) and parking revenues would decrease by fifty percent the following financial picture would present itself:

Direct Cost: Directar Service Construction Haintenance Parking Lots	\$1,818,184 70,775 498,208 112,580
Revenue: Beach concession Parking revenues County parking portion	47,928 188,757 225,455 377,177
Cost less revenue	\$2,637,407

The assumed operating deficit of \$2,037,447 for County operations what are now City beaches would require a County-wide tax rate of \$.0096. This would still produce a benefit to the City taxpayer now pays \$.0115 for City operation as discussed earlier in this report.

Transfer of Personnel

could be accommodated with relatively little loss to the City of current employees. There are, however, many aspects of the transact of personnel that are subject to negotiation as prescribed in the language County Charter (section 56 3/4).

The critical portion, transferring the City's lifequard operations the County, involves a switch in retirement systems. City employed would gain a great deal in actuarial benefits if they were than a to the County's Safety Retirement program. We are informed that the facet alone has brought the affected employees solidly in favor of transfer. The effecting of the remainder of the fringe benefit transfer must be cuided by existing permissive laws and pass practices, particularly as experienced by the City in teams for the functions of Public Defender and Health Sarvices to the County of Angeles and the more recent experience of the City of Santa losts transferring its lifeguard personnel to the County.

From discussions held by this office with the Director, Separtice Beaches, County of Los Angeles, we perceive no reduction of serve the public. By virtue of the fact that County lifeguards received training through the Los Angeles County Sheriff's Accieny and include training in paramedic skills, and the fact that it is the County pelicy to staff the beaches with safety personnel at a higher lace than the current staffing provided by the City.

In considering the transfer of the lifequard series to the county list is anyeles there are several aspects which will have to be fully supported. Insurable as the retirement benefits to County list are significantly better due to their insuration in the action there is a probability that each individual transferred to will be required to personally contribute an additional a morey into the County Safety Danksesent Fund to quin fall takes that system. Some employees, due to their length of with the City of Los Augeles, may have to contribute assembly of dollars. There is an additional possibility (although the employees may lose portions of about banetics seem as you credit, layers seniority, etc. While there appears to be seen resume why City personnel employed in the lifequare operations or with to transfer to the County of Los Angeles (higher salarnes as potter notioned for all personnel involved.

As proviously noted in this report numerous positions other many lifequard are allocated to beach operations. The expect to testing entires of the expect to the function to the County of Los Angelos for this time known. It is possible the City of Los Angelos for the testing known. It is possible the City of Los Angelos for the regular full time exployees either throughout the large large factors that separate and Farks of in other departments of City there appears to be now benefit to the exployees of in the beach maintanesses and country of Yes Angeles.

representatives. If the decision is made substantial effort will be required on both the County to assure an orderly transition of personse lenefits.

Oil Funds

The City has received approximately \$7.5 million in revenues from the financial history of these two types of oil revenues are descript the following two sections:

Oil Revenue Fund

The Papers ont of Howener Funds consists.

which the Department receives from leases authorizing oil-drilling library for the last second papers. The last second payments are accrued interest from investment of funds.

The use of these funds does not require the approval of the Stat:
Lands Commission, but they are primarily used for beach improvement
and have been specifically earmarked by the Board of Recreation at
Parks Commissioners for Phase I of the Beach Development Program,

Following is a summary, as of January 31, 1974, of the projects who have been financed or are to be financed by the Oil Revenue Fundament

Nacile La La La Caracteria de la Caracte	Allocation of Oil Hones
Venice Beach Will Rogers Heach Cabrillo Beach Dockweiler Beach Point Permin Royal Palms Wilders Addition Del Rey Lagoon Reach Equipment & Professional Services Total	\$1,477,389 489,306 1,301,426 696,101 88,734 61,065 47,620 148,794 270,810
and the same of th	A man to the district

The City, on the worman is received a pointmentary who can an arealist the mooney would be demonstrated and calling on Venice Beach.

The financial observe of the Oli Dordon Funds, or the desire summarized in the following:

Oil Revenue Fund 6-10-74

1965	Donus Paymenta Mobil Interest and Dividends Other Total Receipts	\$1,650,650 520,116 11,702	\$4,258,826
	Expenditures to date Encumbrances to date Total		2 020 020 000000.
	Unencumbered Balance		\$ 429.443

Eldbiard Oil Funds

de.

In Jone 1966, the Standard Cil Company of California paid the Cita 52,375,000 for a lease to drill for oil in submerged lands souther of the San Pedro brenkwater. These funds were originally placed in special trust account (No. 6120) and were held by the City in that for the State. On August 12, 1971 (Council File 70-4655, Sup. Read City Council authorized a transfer of these funds in the assumt of \$2,800,000 (the original amount plus some interest) from Food 6170 Standard Cil San Pedro Off Shore Oil and Gas Lease (Thdeland Oil Funds) to the Recreation and Parks Fund with the understanding these funds were to be utilized specifically in the Beath Daveley. Program approved by the Board of Recreation and Park Council Long Council and the State Lands Commission.

On November 3, 1971, the \$2,800,000 in cash was transferred to Recreation and Parks Fund Account 9,35001, Beach Copital Ingrovember.

resided to the filling as success to be used

Parks Fund with the same stipulation.

Since those funds were derived from tide and sepanged lands, when were held in trust by the City of Los Angeles for the people of the State of California, the purposes for which the Tideland Chi Purpose for which the Tideland Chi Purpose for which the Tideland Chi Purpose of California, the purposes for which the Tideland Chi Purposes of 1970. Besically, this legislation purnits a wide were all uses for these finds provided they are mathers of State the finds for purposes in comments, out mainly they have been stipulated for purposes in commentation with comments, navigation, fishery and they that state to requires that any equipal improvement.

Intellight that state to requires that any equipal improvement.

The Recreation and Parks Commissioners, the City Council and the State Lands Commission approved the use of these funds for Phase IT and ITI of the Beach Capital Improvement Program established by the Department of Recreation and Parks.

The Tideland Oil Funds as of January, 1974, were allocated to finance the improvements of the following facilities:

Pacility	Beach Program (Phase II & III)
Venice Beach	\$1,017,028
Will Rogers Beach	694,915
Cabrillo Beach	1,165,675
Point Fermin	4,360
Royal Palms	97,400
Dockweiler Beach	179,402
Total All Beaches	\$3 g 1 5 8 g 1 9 0

Standard Oil surrendered its lease in September 1970, thus, the only income presently being added to these Tideland Oil Funds is the interest accrued by investing the funds in Treasury Notes. Following is the status of these funds as of June 30, 1974:

Tideland Oil Fund 6-30-74

1971	Original amount plus acc	rued \$2,800,000	
1972	Balance of accrued inter	est 253,613	
1972 1973	Miscellaneous Interest Interest	39 84,383 31,003	
1974	Interest Total Available	88, 454 400 da 400 da documenta de composições	\$3,257,492
	Expenditures to date Encumbrances to date	\$1,264,410	
	Total		2:271:782
	Unencumbered Balance		\$ 985,713

We believe any proposal to consolidate the operation of City beaches with the County should include as a component City retention of any Tideland and Oil bonus revenues, that retention to include control of expenditure, programming (including reprogramming) within legal permissable limits.

Implementations

We have discussed with the City Attorney's representatives the manner in which the County might take over operations of all beaches currently operated by the City.

On August 29, 1974, the City Attorney randered an opinion which dealt with certain aspects of the proposed transfer of jurisdiction.

Briefly, the following points were contained in the opinion:

- a. It is not necessary for the Board of Recreation and Park
 Commissioners to approve a transfer of jurisdiction as
 contemplated herein. If the transfer is accomplished by joint
 powers agreement, such action is taken by the governing bodies of
 the involved entities (i.e., the City Council acting for the
 City).
- b. Charter Section 170 which governs the inviolability of recreation and park sites refers, in effect, to the function performed and not to the agency performing it.
- C. Existing agreements between the City and the State may be transmeterred by Council action. Action of the Board of Recreation and Park Commissioners is not required.

The City Attorney's opinion suggests that a joint powers agreement would be the best means to accomplish a transfer of jurisdiction as outlined in this report. This approach would permit full control by the governing bodies of the City and County and would not require the City to divest itself of any real property.

If the ultimate decision is made on the part of the Mayor and Council to pursue this course, we also believe the most advantageous method of bringing about the transfer would be through the vehicle of a joint powers agreement. An agreement would be drawn to clearly outline the responsibilities and rights of the parties permitting the City full partnership with the other concerned governmental agencies in the planning of beach development and utilization.

As we view the issue the City would only transfer the operation and maintenance (including parking lots, concessions, lifeguard service and beach maintenance), therefore the agreement would stipulate City retention of fee title and City-owned beaches, rights to Tideland OII funds and oil bonus revenues, City retention and operation of the Cabrillo Marine Museum and other appropriate covenants and restrictions. The answers to the questions raised by the Department's record should be addressed in the context of the preparation of the joint powers agreement with all concerned City agencies providing input.

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Conclusion

The transfer of the operation of City beaches to the County would appear beneficial from the standpoint of the City taxpayer. A reduction in his tax burden and in the budget of the City of Los Angeles could be realized.

The details and process of bringing about the transfer are numerous and complex. As discussed in the foregoing sections of this report, several questions are raised for which we cannot at the present time provide complete answers. We are still looking into the question of oil revenue use, concession and personnel transfer and what equipment and facilities should be involved in the proposal. We forsee no insurmountable problems that would preclude the Mayor and Council from making the policy determination, with the County Board of Supervisors, that such transfer be pursued with appropriate City agencies being directed to begin efforts to accomplish same.

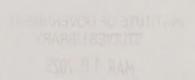
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